



STATE MINING AND GEOLOGY BOARD

EXECUTIVE OFFICER'S REPORT

Date: June 15, 2000

**Item 6 – Consideration and Acceptance of DMG Open File Report 2000-04;
Mineral Land Classification of the KRC Holdings, Inc., M & T Chico Ranch
Site, Butte County, California, for Construction Aggregate Resources**

BACKGROUND: The Surface Mining and Reclamation Act of 1975 (SMARA, Public Resources Code 2710 et seq.) provides for the State Geologist to classify, solely on the basis of geologic factors and without regard to existing land use and land ownership, the mineral resource content of geographic areas.

Specifically, PRC § 2761 provides:

(a) On or before January 1, 1977, and, as minimum, after the completion of each decennial census, the Office of Planning and Research shall identify portions of the following areas within the state which are urbanized or are subject to urban expansion or other irreversible land uses which would preclude mineral extraction:

(1) Standard metropolitan statistical areas and such other areas for which information is readily available.

(2) Other areas as may be requested by the board.

(b) In accordance with a time schedule, and based upon guidelines adopted by the board, the State Geologist shall classify, on the basis solely of geologic factors, and without regard to existing land use and land ownership, the areas identified by the Office of Planning and Research, any area for which classification has been requested by a petition which has been accepted by the board, or any other areas as may be specified by the board, as one of the following:

(1) Areas containing little or no mineral deposits.

(2) Areas containing significant mineral deposits.

(3) Areas containing mineral deposits, the significance of which requires further evaluation.

The State Geologist shall require the petitioner to pay the reasonable costs of classifying an area for which classification has been requested by the petitioner.

(c) The State Geologist shall transmit the information to the board for incorporation into the state policy and for transmittal to lead agencies.

On February 3, 2000 the office of the State Mining and Geology Board (SMGB) received a Petition for Classification – Designation of Mineral Lands from KRC Holdings, Inc., of Bismarck, North Dakota. The Petition requested that a property in western Butte County be classified for construction aggregate resources under the provision of the Surface Mining and Reclamation Act of 1975. The petition was filed correctly with the SMGB, and was transmitted on March 9, 2000 to the State Geologist for review and recommendation. The Petitioner, KRC Holdings, Inc., also supplied the requisite \$5,000 initial fee for the State Geologist's review.

After review of the State Geologist's preliminary evaluation, the petition for classification was accepted by the SMGB. The State Geologist has subsequently evaluated and classified the petitioned property. KRC Holdings, Inc. has reimbursed the Division of Mines and Geology for its costs associated with the classification process.

This report is being presented to the SMGB for acceptance of the classification information as being prepared in accordance with the SMGB's guidelines, and for SMGB transmittal to the appropriate lead agencies for incorporation into their general plans for use in their land-use planning processes.

EXECUTIVE OFFICER'S RECOMMENDATION: The Executive Officer recommends that the SMGB accept the report as being prepared in accordance with the SMGB's guidelines and the Surface Mining and Reclamation Act of 1975, and authorize its transmittal to affected lead agencies.